

Education and Workforce Development Cabinet

Kentucky's jobless rate increases to 6.8 percent in August

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Editor's Note: Preliminary August and revised July labor market information are included in this release.

FRANKFORT, Ky. — Kentucky's seasonally adjusted preliminary unemployment rate for August 2008 rose to 6.8 percent from July 2008's revised 6.7 percent, according to the Office of Employment and Training (OET), an agency of the Kentucky Education and Workforce Development Cabinet. August 2007's jobless rate was 5.5 percent.

The U.S. seasonally adjusted jobless rate rose to 6.1 percent in August 2008 from 5.7 percent in July 2008, according to the U.S. Department of Labor.

Unemployment statistics are based on estimates and are compiled to measure trends rather than actually to count people working.

"The unemployment rate in Kentucky continued to rise amid tighter credit, mounting jobs losses, and caution among businesses and consumers. Non-farm employment declined by 5,800 positions as retailers shuttered doors, governments suffered severe budget cuts, and the impact of the manufacturing slump rippled through Kentucky's economy," said Justine Detzel, OET chief labor market analyst.

Five of the 11 major nonfarm North American Industry Classification System (NAICS) job sectors reported employment increases in August 2008, while six decreased, according to OET. A decrease of 5,800 jobs in August 2008 brought Kentucky's nonfarm employment to a seasonally adjusted total of 1,878,800. Since August 2007, Kentucky's nonfarm employment has risen by 10,400.

According to the seasonally adjusted employment data, the government sector, which includes public education, public administration agencies, and state-owned hospitals, added 1,500 positions in August 2008. Since August 2007, this sector has risen by 11,700 jobs.

The state's other services sector, which includes such establishments as repair and maintenance businesses, personal and laundry services, religious organizations, and civic and professional organizations, increased by 1,400 jobs in August 2008. This sector had 100 more jobs in August 2008 than in August 2007.

Kentucky's leisure and hospitality sector reported an employment gain of 400 jobs in August 2008. Since August 2007, employment in the sector has increased by 2,000 positions. The leisure and hospitality sector includes arts, entertainment and recreation; accommodations; and food services and drinking places industries.

"The month-to-month employment gains in the leisure and hospitality sector were evenly distributed between accommodation and food services enterprises, and arts, entertainment and recreation businesses," Detzel said.

Between July 2008 and August 2008, the number of positions in the natural resources and mining sector rose by 200 jobs. The sector has gained 100 jobs since August 2007.

The educational and health services sector added 200 jobs in August 2008. Since last August, this segment has lost 200 jobs. This sector includes private and nonprofit establishments that provide either education and training, or health care and social assistance to their clients.

The manufacturing sector lost 7,000 jobs in August 2008. Compared to August 2007, jobs in the sector were down by 7,500 in August 2008.

"From July 2008 to August 2008, the durable goods subsector accounted for the lion's share of these job losses, reflecting layoffs at multiple automobile parts manufacturers, the closing of a truck trailer manufacturer, and layoffs at another major manufacturer. The impact of the automobile slump is reverberating through Kentucky's economy with shock waves felt by employees, automobile parts suppliers, and non-manufacturing enterprises such as railroads and trucking companies faced with a reduction of cargo. The nondurable goods subsector also exhibited employment declines, which is indicative of the closing of a plastic and rubber manufacturer," Detzel said.

The number of jobs in the professional and business services sector fell by 1,900 in August 2008. This area had 2,100 fewer employees in August 2008 than in August 2007. The professional and business services sector includes professional, scientific and technical services; management of companies; and administrative and support management, including temporary help agencies.

The number of jobs in the financial activities sector decreased by 200 in August 2008. This segment, which includes businesses involved in finance, insurance, real estate and property leasing or rental, has lost 500 positions over the past 12 months.

Kentucky's trade, transportation and utilities sector fell by 200 jobs in August 2008. This area includes retail and wholesale trade, transportation and warehousing businesses, and utilities, and it is the largest sector in Kentucky with 392,900 employees. Since August 2007, the number of jobs in this sector has jumped by 6,700. Detzel said that most of the year-over-year job gains occurred in retail trade.

The information sector dropped by 100 jobs in August 2008. This segment, which includes firms involved in publishing, Internet activities, data processing, broadcasting, and news syndication, has lost 700 positions since August 2007.

The construction sector recorded 100 fewer positions in August 2008. Since August 2007, employment in the construction sector has increased by 800 positions.

The U.S. Bureau of Labor Statistics' monthly estimate of the number of employed Kentuckians for August 2008 was 1,900,871 on a seasonally adjusted basis. This figure is up 1,132 from the 1,899,739 employed in July 2008, but down 30,856 from the 1,931,727 employed in August 2007.

The monthly estimate of the number of unemployed Kentuckians for August 2008 was 138,603, up 1,260 from the 137,343 Kentuckians unemployed in July 2008, and up 27,015 from the 111,588 unemployed in August 2007.

The monthly estimate of the number of Kentuckians in the civilian labor force for August 2008 was 2,039,474. This figure is up 2,392 from the 2,037,082 recorded in July 2008, but down 3,841 from the 2,043,315 recorded for August 2007.

Civilian labor force statistics include non-military workers and unemployed Kentuckians who are actively seeking work. They do not include unemployed Kentuckians who have not looked for employment within the past four weeks.

Kentucky's statewide unemployment rate and employment levels are seasonally adjusted. Employment statistics undergo sharp fluctuations due to seasonal events, such as weather changes, harvests, holidays and school openings and closings. Seasonal adjustments eliminate these influences and make it easier to observe statistical trends. However, because of the small sample size, county unemployment rates are not seasonally adjusted.

Learn more about the Office of Employment and Training at www.workforce.ky.gov.

A complementary experimental hours and earnings series is available at <http://www.bls.gov/sae/saeapp.htm>.